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Hotels

A COMPREHENSIVE REPORT ON THE PAST, PRESENT, AND FUTURE OF BOSTON'S HOTEL INDUSTRY

Boston Redevelopment Authority

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CITY OF BOSTON

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A COMPREHENSIVE REPORT ON THE PAST, PRESENT, AND FUTURE OF BOSTON'S HOTEL INDUSTRY

Boston
Redevelopment
Authority

POLICY DEVELOPMENT & RESEARCH
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Novenber 1997

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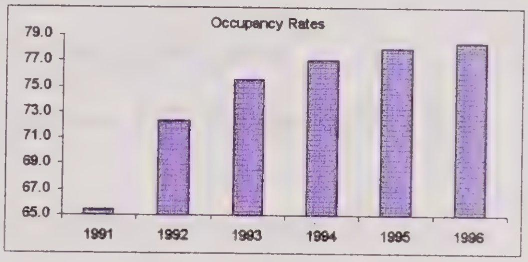
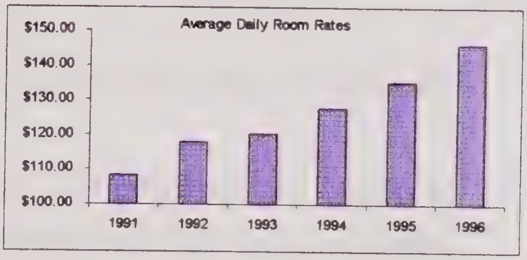
EXECUTIVE SUMMARY

Boston's hotel market is currently enjoying its strongest period in the city's history. Most recent figures for 1996 indicate record highs in the following areas:



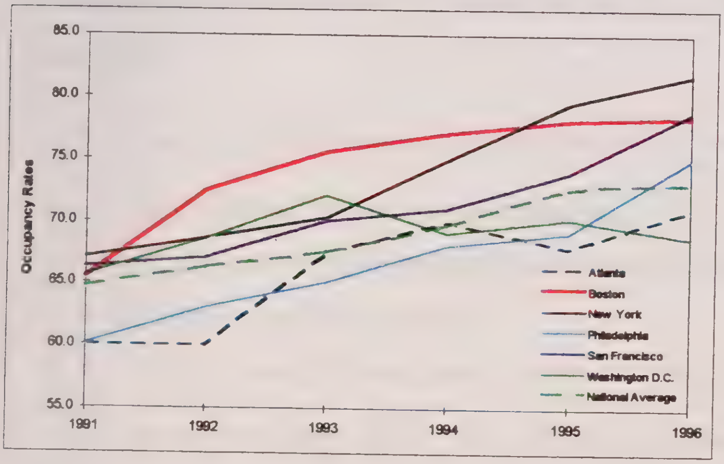
Occupancy Rates in Boston: 1991-1996

- 12,643 hotel rooms (12,220 in hotels with over 50 rooms).
- an average annual occupancy rate of 78.4%.
- an annual average room rate of $145.91.
- a total of 3,472,838 room sale nights.
- over $506 million in gross room revenues.



Room Rates in Boston: 1991-1996

Last year's figures were only the latest peak in a steadily rising six year trend that places Boston, along with New York City and San Francisco, among the top three major cities in the country in terms of hotel market.



Occupancy Rates in Selected Cities: 1991-1996

Boston also leads the hotel market in the metropolitan area and throughout the state of Massachusetts. Although Boston hotel rooms account for only about 20% of the state's total rooms, in the latest years for which figures are available:

- Boston hotels' $574.8 million in total receipts made up almost 39% of the state total of just over $1.5 billion (1992).
- The 10,345 jobs generated by Boston's hotels represented more than 35% of the state's total of 29,428 hotel-related jobs (1994).

- Boston's hotel payroll of $208.3 million represented more than 42% of the state hotel payroll of $494.8 (1994).
- Boston hotels accounted for 34.8% of the state's hotel occupancy tax receipts, collecting $28 million for the state treasury (FY1997).

Boston's hotel industry is an important ingredient to the city's economy:

- The average full-service hotel room costs between $100,000 and $200,000 to build.
- Each hotel room built generates more than one half-year's work for a construction worker.
- Once built, each Boston hotel room generates an average of .87 permanent jobs.
- The average room in Boston generates $2,463 in annual property taxes and $1,611 in annual hotel/motel taxes.
- In FY97, Boston's hotels paid $28,833,059 in property taxes and the City of Boston received another $19,670,581 in hotel/motel room occupancy taxes.

All of this economic activity generated by the hotel industry is particularly valuable because it is generated by spending attracted from outside the region. Consequently, this spending is *added to,* not *siphoned from,* other sectors of the local economy.

Boston's hotel market is supported by four main groups:

- 38% comes from business travelers.
- 32% comes from convention and meeting travelers.
- 21% comes from tourists.
- 9% of Boston's hotel guests came from tour groups and airline contracts.

As in most other cities, the hotel business varies from season to season in Boston. December, January, February and March are the slowest months; April, May and November are the "shoulder months" of mid-level demand; the months between June and October make up the busy season.

Boston has enjoyed a strong hotel industry since 1829 when the original Tremont House, one of the pioneer first-class hotels in the nation, opened for business.

Today's strong hotel market is only the latest in a number of "hotel booms" that have taken place in Boston during the 20th century. Boston hotel rooms numbered over 10,000 in the 1920s, the 1930s, and again in the 1980s. All these decades were marked by a strong overall prosperity in the city's economy.

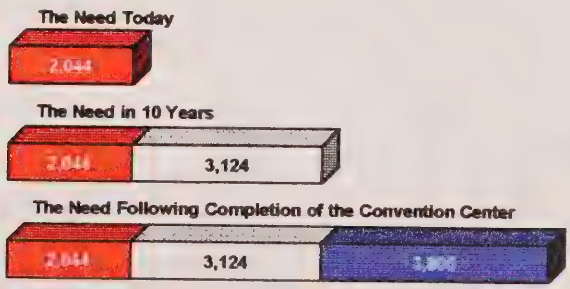
Today, most of the city's 12,643 total guest rooms are contained in the city's 40 major hotels. They range in age from the Omni/Parker House (built in 1855) to the Shawmut Inn (1995), in size from the Sheraton Boston (1,187 rooms) to smaller hotels like the Bostonian (153), and stretch from along the Charles River in Allston, through Kenmore Square and the Back Bay, to Downtown, then across the harbor to Logan Airport and East Boston.

Although Boston has more hotel rooms now than at any other time in the city's history, more are on the way.

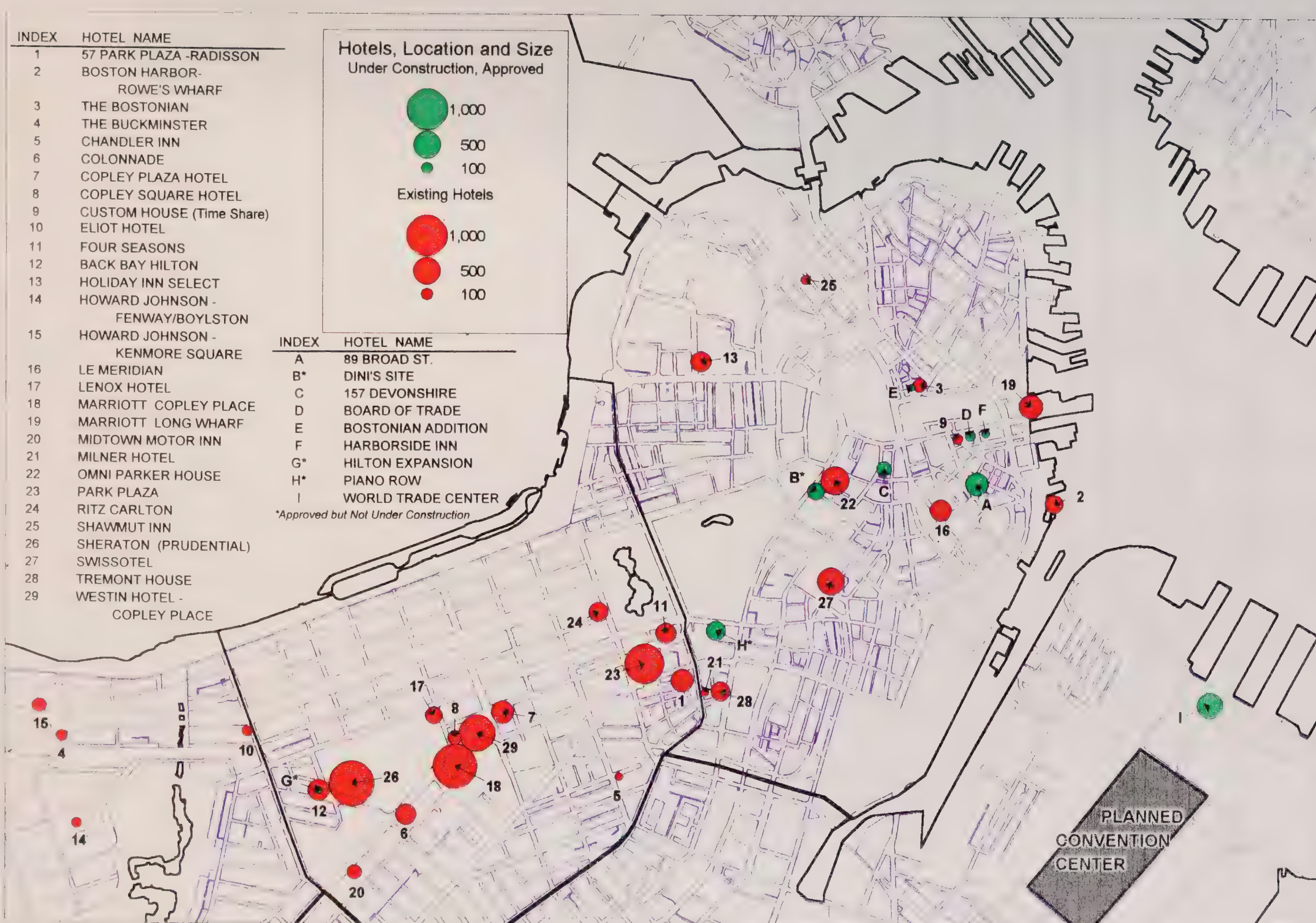
- Eleven hotels totaling 1,936 rooms are under construction or have been approved for construction by the Boston Redevelopment Authority.
- Another 7 hotels with 2,145 rooms have been proposed or discussed.

Even with this increased supply, more hotel rooms are still needed. To fully meet the current demand for hotel space as well as accommodate anticipated growth, the Boston hotel market could support:

- an additional 2,044 to meet existing demand and business lost to the suburbs
- an additional 1,485 new hotel rooms in the next 5 years and a total of 3,124 new hotel rooms in the next 10 years to meet the anticipated growth in demand.
- an additional 3,800 hotel rooms once the proposed Boston Convention and Exposition Center is built.



Hotel Room Needs for The City of Boston



Existing, Under Construction, and Approved Hotels in Downtown Boston

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INTRODUCTION

Boston's hotel market is currently enjoying its strongest period in the city's history, registering record highs in hotel room inventory, occupancy rates, room rates, room sales and gross receipts. All signs point to this prosperity continuing particularly if increased supply is added to meet projected growing demand.

The following report describes the current state of the hotel market in Boston, a look at the history of hotels in the city, proposed new hotels, and projections for continued future demand. Data for this report were derived from the U.S. Department of Commerce, the U.S. Census Bureau, Massachusetts Department of Employment and Training, City of Boston Assessing Department, commercial hotel industry analysts, and Boston hotel operators. The status of hotels identified in this report - whether existing, under construction, approved by the BRA for construction, or in planning stages - is documented as of October 10, 1997.

Boston's Strong Hotel Market

Boston's hotel market is currently enjoying its strongest period in the city's history. The city currently has 12,643 hotel rooms - more hotel rooms than ever before. Of these rooms, 12,220 are in hotels of more than 50 rooms. The analysis in this report is based upon those hotels of more than 50 rooms. Hotels of this size are most popular with visitors and are the basis of most hotel industry analyses.

***Table 1** - Hotel Room Stock in Boston*

Major Hotels (Over 50 Rooms)	12,220
Hotels and Other Lodging (Under 50 Rooms)	423
Total Hotel Rooms	**12,643**

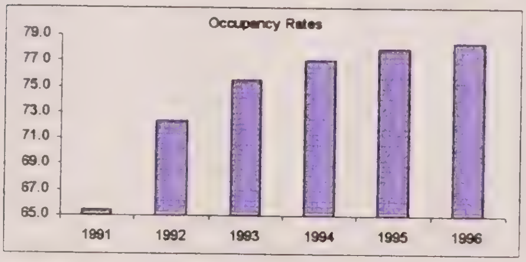
In 1996, the annual average hotel room occupancy rate in Boston's major hotels was a record 78.4%. The annual average room rate was $145.91, another record. (See Table 2.) These numbers are well above the 1996 average of 73.1% and $99.05 in cities across the country. Boston's figures represented a total of 3,472,838 room sale nights and over $506 million in gross revenue from hotel occupancy, also both record highs for the city.

***Table 2** - Boston Occupancy and Room Rates: 1991-1996*

Year	Occupancy Rate	Average Daily Room Rate
1991	65.4	$108.29
1992	72.3	$117.57
1993	75.5	$120.36
1994	77.0	$127.50
1995	78.0	$135.00
1996	78.4	$145.91

Source: PKF Consulting

Last year's figures were only the latest peak in a steadily rising six year trend. During that time, the annual average occupancy rate increased 13 percentage points and the average daily room rate increased more than $37. (See also Figure 1.) Occupancy rates have risen each of those years, from a low of 65.4% in 1991 to the current record high of 78.4% in 1996. Average daily room rates have also continued to rise, from a low of $108.29 in 1992 to the record high of $145.91 last year.



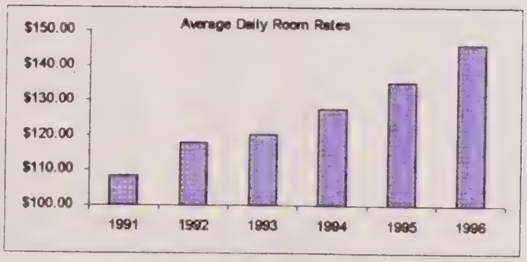


***Figure 1** - Occupancy and Room Rates in Boston: 1991-1996*

Comparison with National Average and Other Cities

Boston's recent hotel figures aren't merely the best in the city's history. For the last three years, Boston has ranked, along with New York City and San Francisco, as one of the top three hotel markets among major cities in the country.

Table 3 *- Occupancy Rates in Selected Cities: 1991-1996*

	1991	1992	1993	1994	1995	1996
Atlanta	60.0	60.0	67.4	70.0	67.8	71.0
Boston	**65.4**	**72.3**	**75.5**	**77.0**	**78.0**	**78.4**
Chicago	64.0	65.0	66.8	69.5	72.1	73.5
Dallas	62.0	66.0	64.3	67.9	71.6	66.5
Houston	62.5	62.8	62.1	64.0	64.8	63.8
Los Angeles	63.6	63.0	61.9	66.2	67.5	71.6
New York	67.1	68.6	70.3	75.0	79.5	81.8
Philadelphia	60.0	63.0	65.0	68.0	69.0	75.0
San Francisco	66.2	67.0	70.0	71.0	73.9	78.7
Washington D.C.	65.5	68.5	72.0	69.0	70.1	68.7
National Average	64.6	66.2	67.5	69.7	72.5	73.1

Source: PKF Consulting

In a survey of selected major cities, Boston ranked first in average annual occupancy rate in 1992, 1993, and 1994, ranked second only to New York in 1995, and trailed only New York (81.8%) and San Francisco

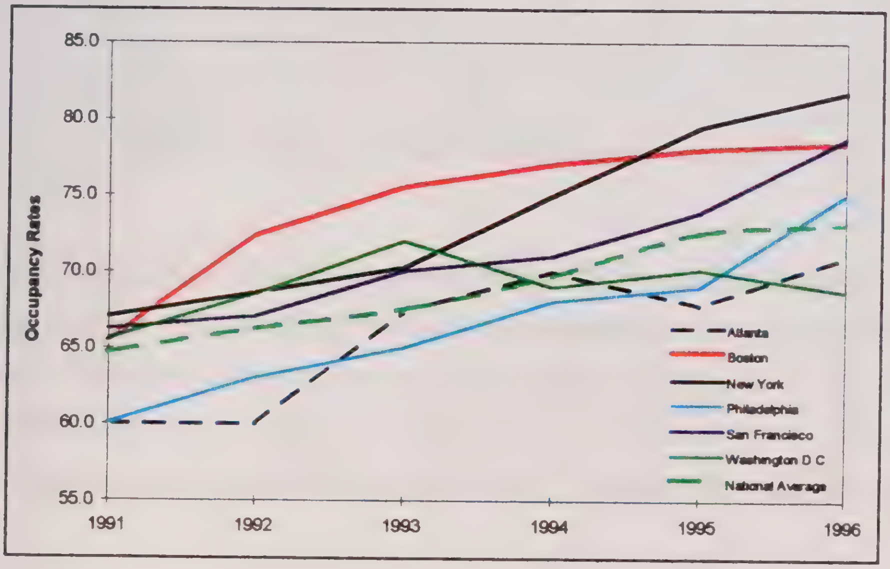


Figure 2 *- Occupancy Rates in Selected Cities: 1991-1996*

Table 4 *- Average Daily Room Rates In Selected Cities: 1991-1996*

	1991	1992	1993	1994	1995	1996
Atlanta	$63.00	$74.00	$61.97	$66.50	$86.17	$95.25
Boston	**$108.29**	**$117.57**	**$120.38**	**$127.50**	**$135.00**	**$145.91**
Chicago	$81.95	$82.00	$87.90	$90.30	$97.14	$101.33
Dallas	$59.50	$61.00	$67.53	$71.45	$77.07	$90.50
Houston	$64.27	$65.75	$63.31	$64.83	$69.93	$72.38
Los Angeles	$75.70	$75.00	$78.11	$82.00	$84.00	$89.26
New York	$135.66	$135.04	$137.81	$143.00	$155.00	$174.60
Philadelphia	$89.50	$88.50	$90.00	$97.00	$104.75	$115.75
San Francisco	$109.99	$109.00	$104.25	$106.00	$105.27	$113.15
Washington D.C.	$129.53	$113.00	$120.01	$122.42	$121.45	$125.00
National Average	$77.90	$79.19	$79.44	$82.30	$91.31	$99.05

Source: PKF Consulting

(78.7%) in 1996. (See Table 3 and Figure 2.) Between 1992 and 1996, Boston has trailed only New York in terms of average daily room rates. (See Table 4 and Figure 3.)

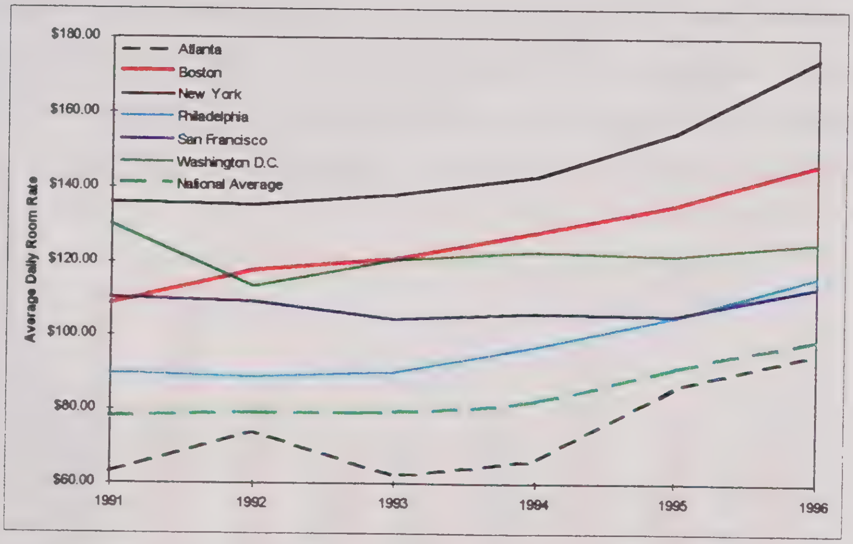


Figure 3 - *Average Daily Room Rates in Selected Cities: 1991-1996*

With occupancy and room rates higher than Chicago, Washington DC, Los Angeles, and a host of other cities, Boston's hotel market is clearly one of the strongest in the nation. Boston's ranking at or near the top among major cities in the country when combining last year's occupancy and room rates is shown below, in Figure 4. (The city's high ranking in previous years is shown in similar charts in Appendix A.)

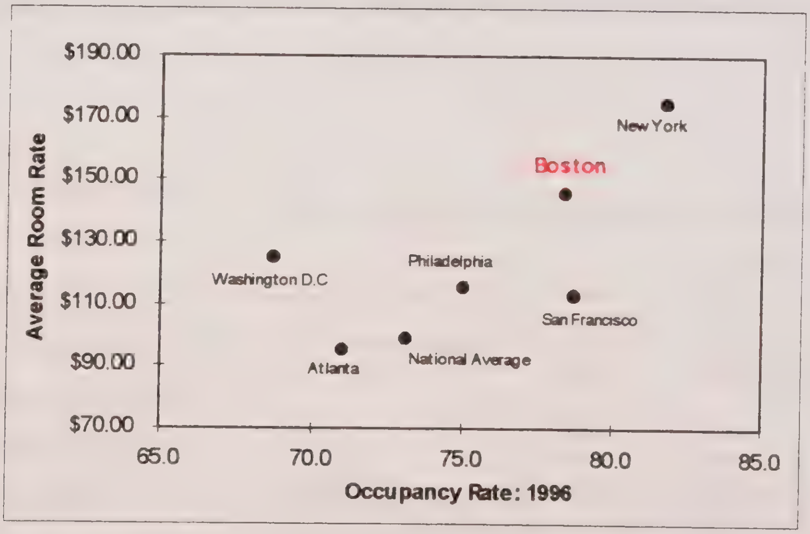


Figure 4 - *Occupancy Rates and Room Rates in Selected Cities: 1996*

Boston Leads the State and the Region

Just as Boston's hotel market leads cities across the country, Boston leads the hotel market in the Boston metropolitan area and throughout the state of Massachusetts. In 1996, Boston led all other areas of Massachusetts in both occupancy rate and average daily room rate (See Figure 5), and, with the exception of neighboring Cambridge, led by a wide margin. In fact, Boston has helped to make Massachusetts' hotel market one of

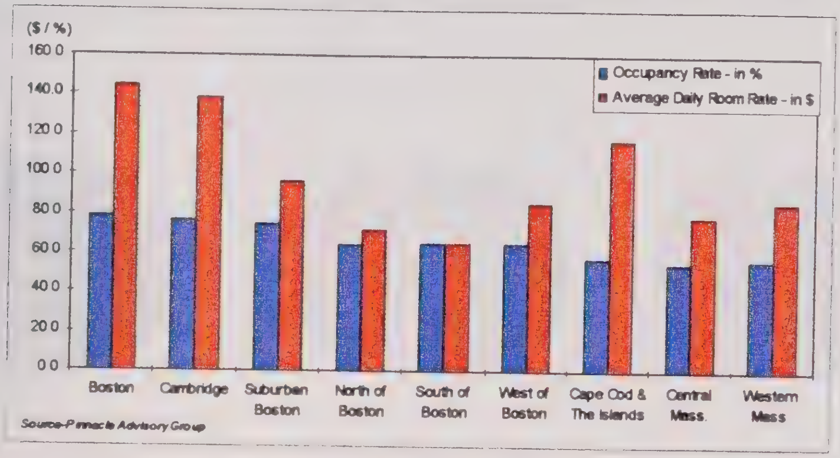


Figure 5 *- Occupancy Rates and Room Rates in Massachusetts: 1996*

the strongest of any state in the nation, with a 1996 average annual occupancy rate of 73.1% and an average daily room rate of $124.81. While six of the nine regions in Massachusetts are below the average occupancy rate and seven of the nine are below the state-wide average daily room rate, Boston's occupancy rate is 7.3% higher and its daily room rate is 15.7% higher than the average, lifting the state-wide averages substantially.

Boston's strong hotel market is responsible for a disproportionate share of the economic benefits that the hotel industry generates in the state, as shown by figures from the U.S. Census Department for 1992, the latest year for which comparative numbers are available. (See Table 5.) In 1992, Boston's 12,070 hotel

Table 5 *- Boston's Share of Massachusetts' Hotel Industry: 1992*

	Mass.	Boston Metro*	Boston City	Boston City as % Mass.
No. of Establishments	810	273	43	5.3%
No. of Rooms	61,957	35,799	12,070	19.5%
Jobs	29,293	19,542	8,823	30.1%
Payroll ($m)	$447.3	$315.4	$173.4	38.8%
Receipts ($m)	$1,506.8	$1,060.3	$574.8	38.1%

Source: US Dept. of Commerce, Bureau of Census; 1992 Census of Service Industries and Boston Redevelopment Authority, Policy Development and Research Deptartment

** Primary Metropolitan Statistical Area*

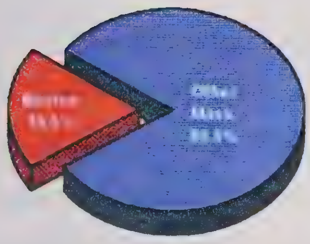


***Figure 6** - Hotel Room Stock in Massachusetts*

rooms comprised 19.5% of the 61,957 hotel rooms in the state. Yet the 8,823 jobs in Boston hotels made up 30.1% of the state's 29,293 jobs in the hotel industry. The $173.4 million in payroll from Boston hotels made up 38.8% of the state's total $447.3 million. The $574.8 million in total receipts from Boston hotels made up almost 38.1% of the state's total receipts of just over $1.5 billion. (See figures 6, 7, 8, & 9.)

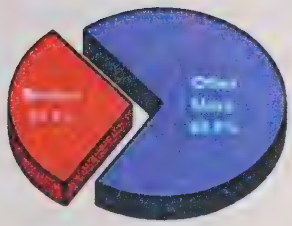


***Figure 7** - Hotel Jobs in Massachusetts*

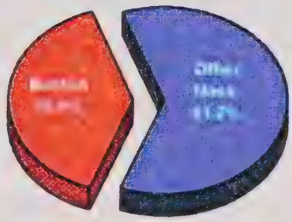


***Figure 8** - Hotel Payroll in Massachusetts*

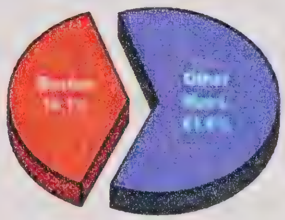


***Figure 9** - Hotel Receipts in Massachusetts*

More recent 1994 payroll figures reveal that Boston's share of the state hotel industry has only grown. Between 1992 and 1994, the number of jobs in Boston hotels increased by 17% compared to a less than 1% increase in the state, and the payroll of Boston's hotels increased by more than 20% compared to a less than 10% increase for the state. By 1994, Boston hotels generated 10,345 jobs, more than 35% of the state's total of 29,428 jobs, and Boston's hotel payroll of $208.3 million represented more than 42% of the total state hotel payroll of $494.8 million.

Even more recent figures show that Boston's strong hotel market translates into tax revenue for the state far beyond the city's share of the state's hotel rooms. In FY97, Boston hotel's accounted for 34.8% of the state's hotel occupancy tax receipts, collecting $28 million for the state treasury. (See Figure 10.)

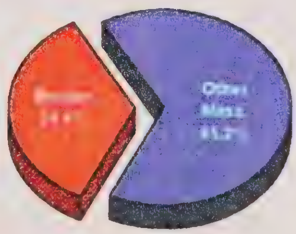


***Figure 10** - Hotel Occupancy Tax Receipts in Massachusetts*

Economic Impact of Hotel Industry on the City

Economic Impact

- .5 Construction Jobs/room
- .87 Permanent Jobs/room
- $2,463 annual property taxes/room
- $1,611 annual hotel/motel taxes/room
- 10,345 Employees
- $208.3 Million Payroll

Hotels are an important ingredient to a successful city economy, both during construction and once in operation. The average full-service hotel room costs more than $100,000 to build. While under construction, each hotel room generates more than half a year's employment for the average construction worker.

Once completed, the average hotel room in Massachusetts generates another .5 permanent jobs per room. Boston's full service hotels generate even more, an average of .87 permanent jobs per room. These jobs are both full and part-time, and exist at various salary levels. One-quarter of these jobs are classified as "cleaning and building service occupations," and one-third as "food preparation and service occupations." While the majority of these two classes of jobs are not high-paying, they do provide important entry level opportunities for workers. The hotel industry, recognizing the need to retain good employees, is attempting to provide training and career ladders in order to do that. In addition, more than one-fifth of all hotel jobs are in better paying administrative support, administrative, managerial and executive positions. All told, the Boston hotel industry employed 10,345 permanent employees and had a total payroll of $208.3 million in 1994.

In terms of tax revenue, the average room in Boston generates $2,463 in annual property taxes and $1,611 in annual hotel/motel taxes. In FY97, hotels paid $28,833,059 in property taxes and the city received another $19,670,581 in hotel/motel room occupancy taxes.

In addition to the on-site economic spending generated by the industry, hotels generate additional outside economic spending through their guests. According to a survey by the International Association of Convention and Visitors Bureaus, the average convention delegate expenditure per day for Boston is $341.66. While the largest share of this spending ($188 per day) went toward rooms and hotel services, food and beverage establishments received $62 per day; retail stores, $38 per day; transportation and car rentals $18 per day; and sightseeing, recreation and

entertainment, $15 per day. (See Figure 10.) Convention goers represent one-third of hotel guests and their spending may be somewhat higher than others. But it is clear that hotels generate significant spending in the local economy in addition to that which takes place inside the hotels themselves.

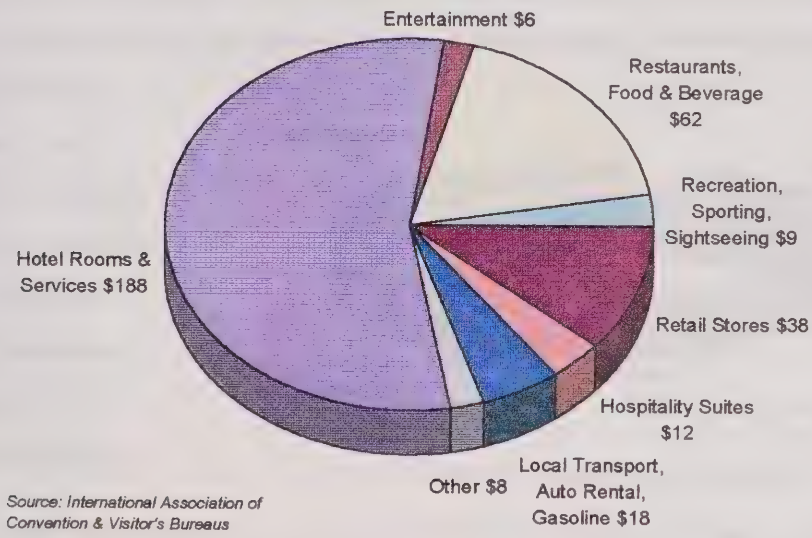


***Figure 11** - Convention Delegate Spending*

All of this economic activity is particularly valuable because hotels are what are known as an "export industry." That is, the spending it generates is attracted from outside the region. Consequently, this spending is *added to,* not *siphoned from,* other sectors of the local economy, in turn generating business and jobs that would not occur otherwise.

Non-Economic Impact of Hotel Industry on the City

The hotel industry makes other, non-economic contributions to the city and the local region as well. Hotels serve the needs of local businesses, health care and academic institutions, and others in the area by accommodating the constant flow of associates, clients, and visitors they generate and depend on. Hotels also contribute to a city from an urban design point of view. They add to the vibrancy and street life, weave together the fabric of a city, and define and stretch the borders of the downtown.

Who Stays in Boston and Boston Area Hotels

Last year, the Boston area attracted 10.6 million visitors - a 17% increase in the last 5 years (See Figure 11), according to the Greater Boston Convention and Visitor's Bureau. As shown in Figure 12, four main groups support Boston's hotel industry: business travelers; convention and meeting attendees; tourists; and tour groups/airline contracts.

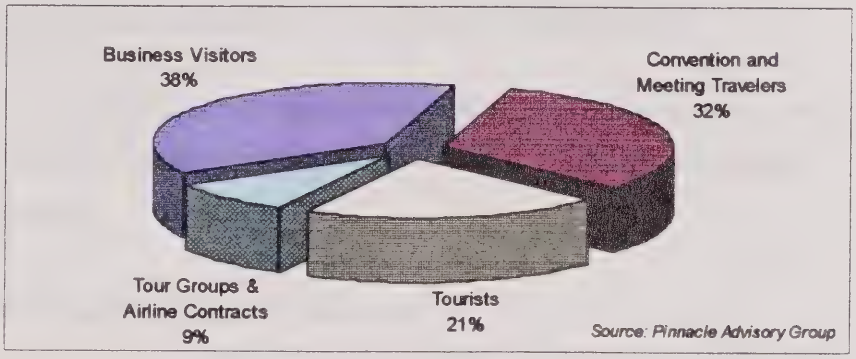


***Figure 12** - Breakdown of Hotel Users*

The strong regional and national economy is one reason for the strength of Boston's hotel market, since it has helped spark the tremendous growth in business and financial services and technology companies, for which the Boston area is now famous. The 38% of hotel users in the city who are business travelers are especially drawn to downtown hotels because, for them, convenience is more of a priority than cost.

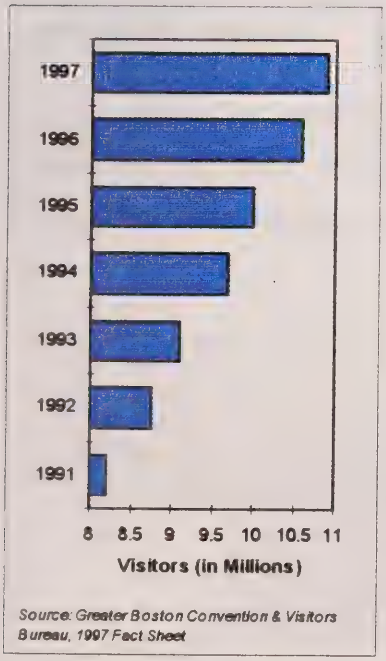


***Figure 13** - Visitors to Greater Boston, 1991-1997*

Another reason for the strength of the hotel market is the growth in convention activity in Boston. Conventions held in Boston consistently record a higher attendance than when they are held elsewhere. Convention and meeting travelers account for 32% of hotel stays. These visitors also prefer to stay in downtown hotels, as close as possible to convention facilities and entertainment and dining establishments.

Conventions are very important to the hotel industry and can account for 500 to 4,500 rooms at a time. Because of their volume and the opportunity they present for hotels to secure sales in advance, convention groups can often negotiate discounts on room rates, even in more expensive downtown hotels.

Visitors attracted by Boston's blend of distinct seasons, historic sites, arts venues, and entertainment events and activities are a third reason for the strength of its hotel market. Tourist travelers make up another 21% of Boston's hotel market.

The final segment of Boston's hotel market is made up of tour groups and airline contract business. Last year 9% of Boston's hotel guests came from those two groups, in approximately equal numbers.

When Boston Hotels Rooms Are Most in Demand

The different constituencies that make up Boston's hotel market maintain different schedules. Business visitors generally travel only in midweek, tourists on weekends. Guests vary by season as well. Business visitors travel most of the year, but less during holidays and somewhat less during the summer. Tourists' schedules are just the opposite.

December, January, February and March are the slowest months for hotel business in Boston. April, May and November are the "shoulder months" of mid-level demand. June through October, a period that includes the end of one school year,

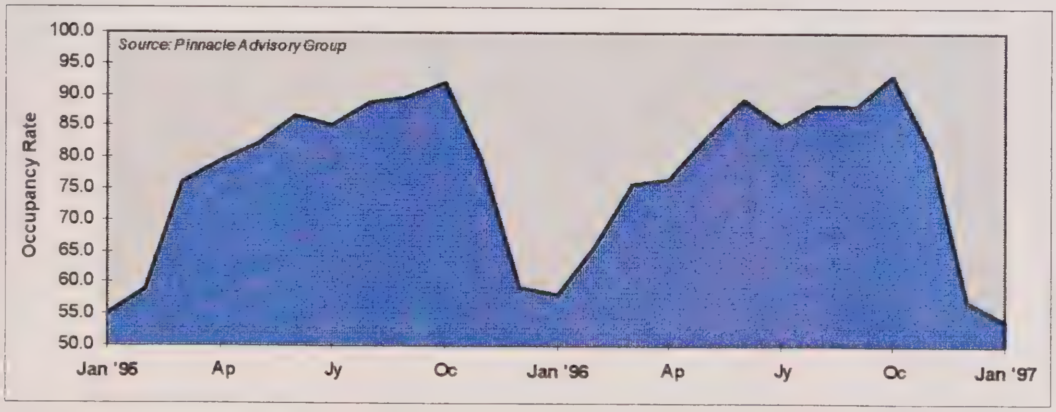


Figure 14 *- Seasonal Occupancy Rates in Boston*

summer vacation, the beginning of another school year, and the fall foliage season, are the strongest months for the hotel industry. The seasonal occupancy rates are shown in Figure 14.

One of the reasons why conventions are so important to the hotel industry is because they provide a year-round demand that supplements the alternate demands of business and tourist visitors. Hotels also welcome convention business because it provides a predictable occupancy and allows rooms to be committed well in advance. Despite these benefits, hotels are reluctant to commit too high a portion of their rooms for conventions, preferring to maintain a balance among all of their constituencies.

Since 1829, when the original Tremont House, one of the pioneer first-class hotels in the nation, opened on the corner of Tremont and Beacon Streets, Boston has supported a strong hotel industry. Although today's hotel market may be the strongest in the city's history, it is only the latest in a series of "hotel booms" that have taken place during the 20th century.

***Table 6** - Hotel Room Stock in Boston*

Major Hotels (Over 50 Rooms)	12,220
Hotels and Other Lodging (Under 50 Rooms)	423
Total Hotel Rooms	**12,643**

As noted earlier, Boston's current inventory of 12,643 hotel rooms (again, 12,220 in hotels with more than 50 rooms) is the largest in the city's history. (See Table 6.) But the city has had over 10,000 hotel rooms in three previous decades: first in the 1920s and 1930s, and again in the 1980s. (See Figure 15.) It is no coincidence that these periods were also marked by a strong overall prosperity in the city's economy.

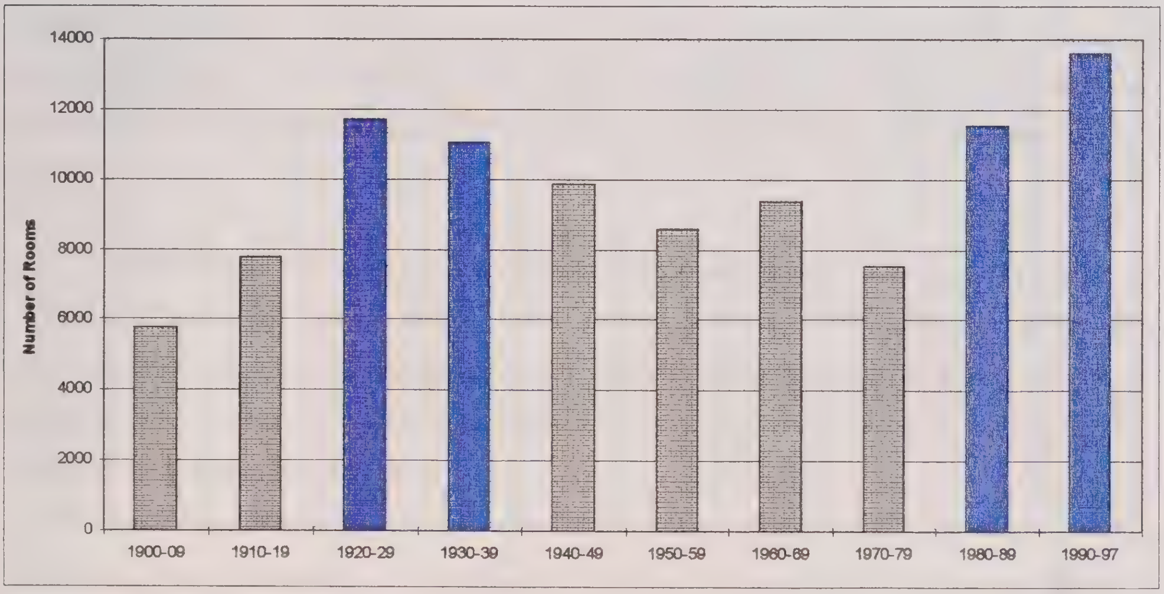


***Figure 15** - Number of Hotel Rooms by Decade*

Just as the periods of hotel prosperity have paralleled that of prosperity in the city's general economy, so have the downward cycles occurred in both at the same times. For example, Boston took longer to recover from the Great Depression of the

1930s and the war years of the 1940s than other parts of the country, and during that time the number of hotel rooms in the city declined sharply. Over the course of an even longer period, from the 1930s to the 1970s, there was actually a net loss of 4,201 hotel rooms in the city. It wasn't until the previously unprecedented prosperity in the city during the 1980s that the Boston hotel industry returned to the size that it had achieved sixty years earlier.

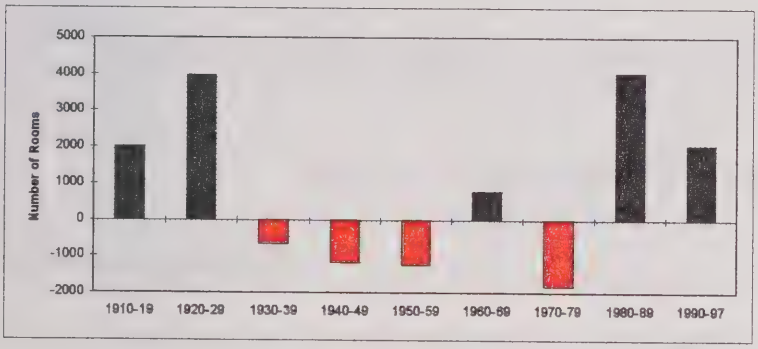


***Figure 16** - Net Change in Hotel Room Stock by Decade*

In terms of hotel construction, Boston's first hotel boom during the last hundred years began at the turn of the century. Between 1895 and 1912, 7,022 hotel rooms were built in the city. The second growth spurt took place between 1927 and 1929, when 3,100 hotel rooms were constructed. Between 1930 and 1955 there were no new hotels constructed in the city. A third took place in the 1960s, when 2,250 hotel rooms were built in Boston. The most recent hotel construction boom took place between 1982 and 1985, when 3,981 hotel rooms came on line. (See Figures 16, 17 & 18.)

These spurts in hotel construction have followed or anticipated construction bursts in other areas. For example, hotel construction after 1900 followed the opening of Symphony Hall (1900), Horticultural Hall (1900), the Museum of Fine Arts (1909), and Fenway Park (1912). The construction of hotel rooms in the 1930s followed construction of Boston Arena in 1921 and Boston Garden in 1928. The 1,000 room Sheraton Boston was built in 1965, the same year as the Hynes Convention Center. Hotel construction in the 1980s accompanied the

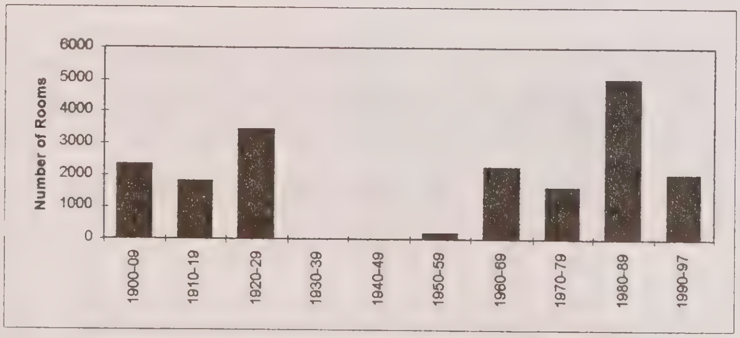


***Figure 17** - Number of Rooms Built, by Decade*

billion dollars a year in private development, the nearly 3 million sq. ft. in institutional growth, the 13 million sq. ft. growth in office space, and the expansion of Hynes Convention Center that all took place during the middle part of that decade.

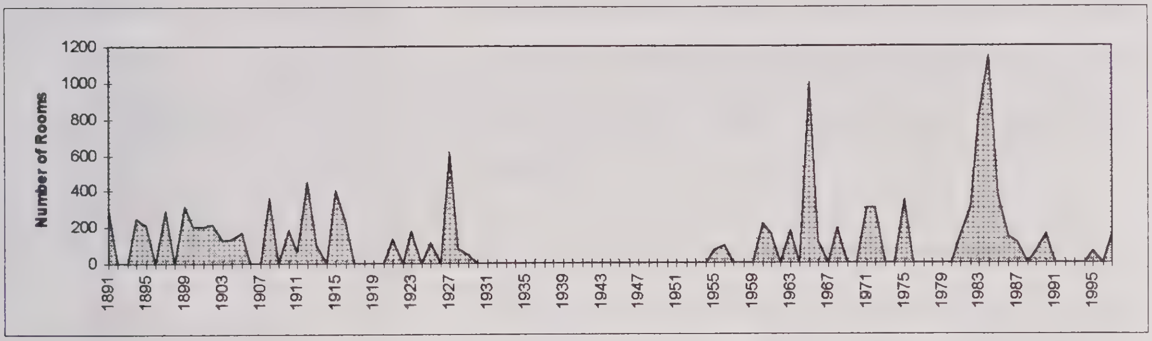


***Figure 18** - Average Number of Rooms Built by Year*

Size and Location

In addition to changes in the hotel room inventory in Boston, there has been a change in the number and size of the city's hotels, with much larger hotels replacing smaller ones. In 1900, there were 100 hotels in the city (only three of which, the Parker House, the Copley Square, and the Lenox, are still in operation today). But the one hundred hotels totaled only 2,000 rooms. Today, the 40 major hotels operating in the city total over 12,220 rooms. (Once more, the 400+ rooms in smaller hotels and lodging houses of under 50 rooms bring the total number of hotel rooms up to 12,643.)

Over the last 100 years, the location of Boston's hotels has changed as well, due to changes in the economy, hotel use, neighborhood character and urban planning decisions. In the early part of this century the Fenway/Kenmore area was a strong center of Boston's hotel industry with 2,875 rooms or 37% of the total in the city in the 1910s. This area's hotel room stock peaked in the 1920s with 3,345 rooms. Since that

***Table 7** - Hotel Room Stock per District, by Decade*
With Percent of Total Stock for the Decade

District	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59	1960-69	1970-79	1980-89	1990-97
Back Bay Total	3,060	3,550	5,331	5,421	5,394	4,749	4,932	4,175	6,923	6,655
Back Bay % of Stock	53.1%	45.7%	45.5%	49.0%	54.6%	55.2%	52.6%	55.5%	60.0%	54.5%
Downtown Total	1,028	1,248	2,958	2,433	1,986	1,726	1,825	1,469	2,398	2,875
Downtown % of Stock	17.9%	16.1%	25.2%	22.0%	20.1%	20.0%	19.5%	19.5%	20.8%	23.5%
Fenway/Kenmore Total	1,670	2,875	3,345	3,125	2,398	2,062	2,021	802	472	465
Fen/Ken % of Stock	29.0%	37.0%	28.5%	28.2%	24.3%	24.0%	21.5%	10.7%	4.1%	3.8%
Other Total	0	94	94	94	94	72	602	1,081	1,745	2,225
Other % of Stock	0.0%	1.2%	0.8%	0.8%	1.0%	0.8%	6.4%	14.4%	15.1%	18.2%
Grand Total	5,758	7,767	11,728	11,073	9,872	8,609	9,380	7,527	11,538	12,220
	100.0%	100 0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

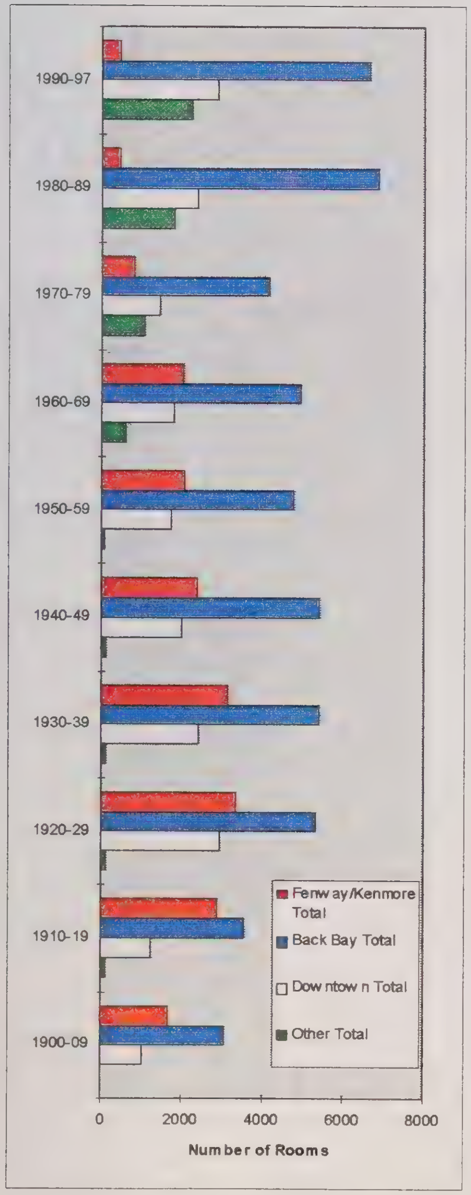
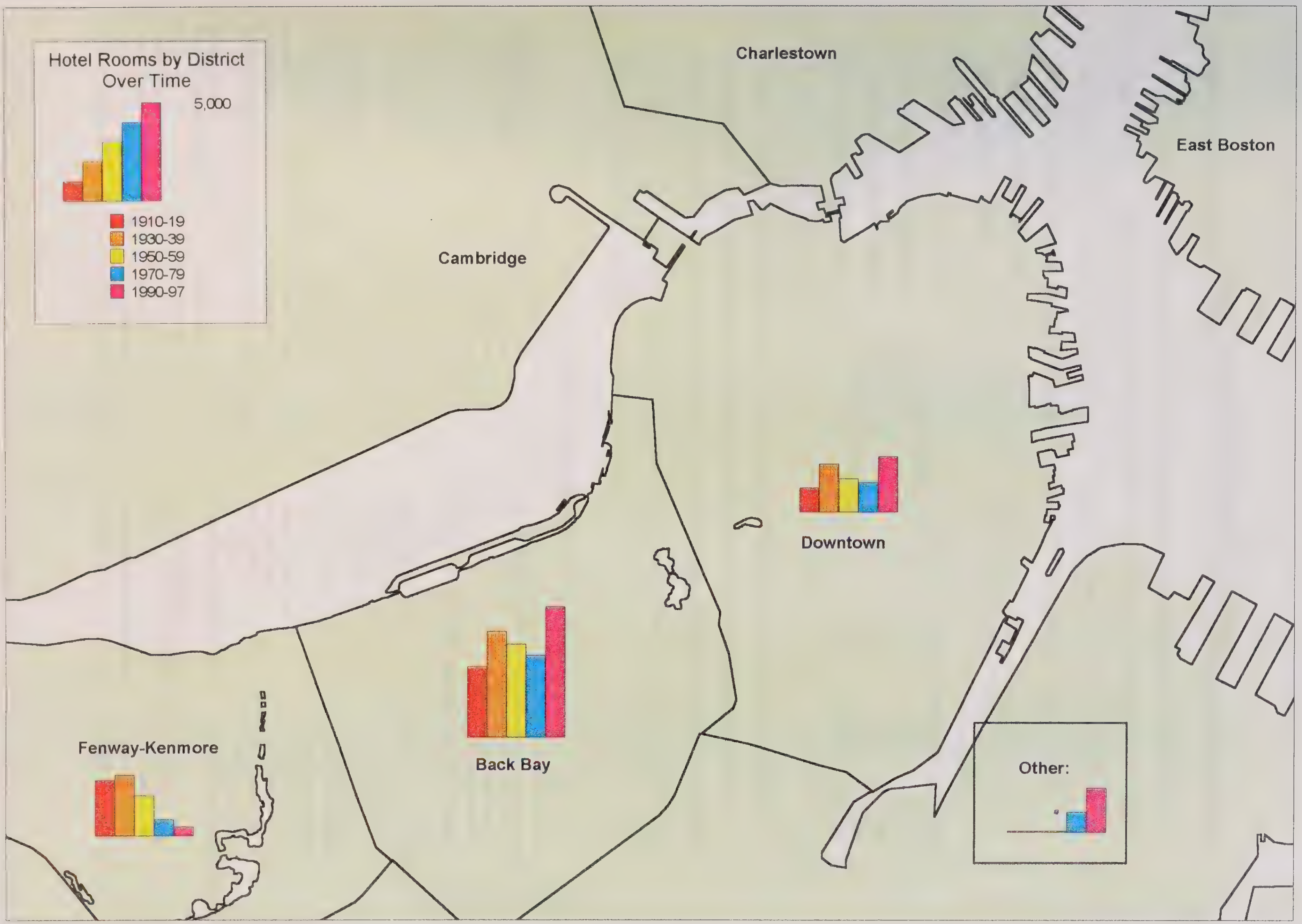


Figure 19 *- Hotel room Stock per District by Decade*

time, with the closing of hotels like the Kenmore, Somerset, Braemore, and the Charlesgate, the number of hotel rooms in Fenway/Kenmore has dropped over the years to only 465 rooms so that today the area is home to only a 3.8% share of the city's hotel room stock. (See Figure 19 and Table 7.)

During that same period, the number of hotel rooms Downtown has increased from 1,248 to 2,875, rising from 16.1% of the city's total to 23.5%, and the number of hotel rooms outside of the heart of the city (that is, areas outside of Back Bay, Downtown, and Fenway/Kenmore) has increased from 94 rooms in the 1910s (a 1.2% share) to 2,225 rooms (a 18.2% share) today.

Throughout the century, the Back Bay has continued to be the heart of the hotel industry in Boston. The number of hotel rooms in the area has almost doubled, from 3,550 in the 1910s to 6,655 in the 1990s, and the Back Bay's share of the city's hotel rooms has risen from 45.7% in the 1910s to 54.5% today.



Boston Hotel Room Distribution by District over Time

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BOSTON'S HOTEL INDUSTRY TODAY

Today 12,220 of Boston's 12,643 hotel rooms are contained in the city's 40 major hotels. They range in age from the historic Omni/Parker House (built in 1855) and the Copley Square (built in 1895) to the newest hotels in the city, the Boston Harbor Hotel on Rowes Wharf (which opened in 1987), the Airport Hyatt (1990), Daystop (1990) and the Shawmut Inn (1995). These hotels range in size from the larger hotels that cater to convention goers, like the Sheraton-Boston (1,187), the Marriott-Copley Place (1,145), and the Park Plaza (960 rooms) to the smaller hotels like the Meridien (330 rooms) and the Bostonian (155 rooms) that appeal more to business guests. Boston's hotels today stretch from along the Charles River in Allston, through Kenmore Square and the Back Bay to Downtown, then across the harbor to Logan Airport in East Boston. (See Tables 8, 9, 10, & 11.)

***Table 8** - Hotel & Room Totals*

	Number of Hotels	% of Total	Number of Hotel Rooms	% of Total
Back Bay/Beacon Hill	15	37.5%	6,655	54.5%
Downtown	10	25.0%	2,875	23.5%
Other Boston	11	27.5%	2,225	18.2%
Fenway/Kenmore	4	10.0%	465	3.8%
	40	100.0%	12,220	100.0%

***Table 9** - Current Hotel Stock, Ordered by District*

Back Bay Hotels	
57 Park Plaza-Radisson	200 Stuart Street
Chandler Inn	26 Chandler Street
Colonnade	120 Huntington Ave
Copley Plaza	138 St. James Avenue
Copley Square	47 Huntington Avenue
Four Seasons Hotel	200 Boylston Street
Hilton Back Bay	Dalton & Belvidere
Lenox	710 Boylston Street
Marriott-Copley Place	110 Huntington Ave
Midtown Motor Inn	220 Huntington Ave
Milner Hotel	76 Charles Street
Park Plaza/Statler-Hilton	64 Arlington Street
Ritz-Carlton	15 Arlington Street
Sheraton-Boston	39 Dalton Street
Westin Hotel-Copley Place	10 Huntington Ave

Downtown Hotels	
Boson Harbor/Rowes Wharf	70 Rowes Wharf
Bostonian	North & Blackstone St
Custom House (Time Share)	Custom House St
Holiday Inn Select	5 Blossom St
Le Meridien	250 Franklin Street
Marriott Long Wharf	196 State Street

Downtown Hotels (cont.)	
Omni-Parker House	60 School Street
Shawmut Inn	280 Friend Street
Swissotel	1 Avenue de Lafayette
Tremont House(Bradford Elks-Quality Inn)	275 Tremont Street

Other Boston Hotels	
Airport Holiday Inn (Ramada)	225 McClellan Hwy
Airport Hyatt & Conference Center	101 Harborside Drive
Airport Ramada (Hilton)	Logan Airport
Children's Inn	342 Longwood Ave
Days Inn - Brighton	1234 Soldiers Field Rd
Daystop	1800 Soldier's Field Road
DoubleTree Guest Suites	400 Soldiers Field Rd
South Bay Hotel	5 Howard Johnson Plaza
Susse Chalet I	900 Morrissey Blvd
Susse Chalet II	800 Morrissey Blvd
Terrace Motor Lodge-Best Western	1650 Commonwealth Avenue

Fenway/Kenmore Hotels	
Howard Johnson's Fenway/Boylston	1271 Boylston Street
Eliot	370 Commonwealth Ave
Howard Johnson's Kenmore Square	575 Commonwealth
Buckminster, The	645 Beacon Street

Table 10 - Current Hotel Stock, Ranked by Number of Rooms

Hotel Name (Formerly)	Address	Constructed	Number of Rooms
Sheraton-Boston	39 Dalton Street	1965	1,187
Marriott-Copley Place	110 Huntington Ave	1984	1,147
Park Plaza/Statler-Hilton	64 Arlington Street	1927	960
Westin Hotel-Copley Place	10 Huntington Ave	1983	804
Omni-Parker House	60 School Street	1854	535
Airport Ramada (Hilton)	Logan Airport	1960	520
Swissotel	1 Avenue de Lafayette	1985	500
Marriott Long Wharf	196 State Street	1982	400
Copley Plaza	138 St. James Avenue	1912	372
57 Park Plaza-Radisson	200 Stuart Street	1972	354
Airport Holiday Inn (Ramada)	225 McClellan Hwy	1972	351
Hilton Back Bay	Dalton & Belvidere	1982	335
Le Meridien	250 Franklin Street	1981	326
DoubleTree Guest Suites	400 Soldiers Field Rd	1985	310
Holiday Inn Select	5 Blossom St	1968	300
Four Seasons Hotel	200 Boylston Street	1985	288
Colonnade	120 Huntington Ave	1971	288
Tremont House(Bradford Elks-Quality Inn)	275 Tremont Street	1927	281
Ritz-Carlton	15 Arlington Street	1927	278
Airport Hyatt & Conference Center	101 Harborside Drive	1990	270
Boson Harbor/Rowes Wharf	70 Rowes Wharf	1987	230
Lenox	710 Boylston Street	1900	220
Howard Johnson's Kenmore Square	575 Commonwealth	1963	178
Susse Chalet I	900 Morrissey Blvd	1986	177
Midtown Motor Inn	220 Huntington Ave	1961	159
Bostonian	North & Blackstone St	1982	153
Children's Inn	342 Longwood Ave	1968	152
Copley Square	47 Huntington Avenue	1895	143
Days Inn - Brighton	1234 Soldiers Field Rd	1966	113
Susse Chalet II	800 Morrissey Blvd	1986	106
Buckminster, The	645 Beacon Street	1903	102
South Bay Hotel	5 Howard Johnson Plaza	1960	100
Howard Johnson's Fenway/Boylston	1271 Boylston Street	1956	94
Eliot	370 Commonwealth Ave	1925	91
Custom House (Time Share)	Custom House St	1997	84
Terrace Motor Lodge-Best Western	1650 Commonwealth Avenue	1955	72
Shawmut Inn	280 Friend Street	1995	66
Milner Hotel	76 Charles Street	1989	64
Chandler Inn	26 Chandler Street	1981	56
Daystop	1800 Soldier's Field Road	1990	54
Total For All Major Hotels	Hotels Over 50 Rooms	-	**12,220**
Hotels and other Lodging under 50 rooms	-	-	423
Grand Total			**12,643**

Table 11 - Current Hotel Stock, Listed Alphabetically

Hotel Name (Formerly)	Address	Constructed	Number of Rooms
57 Park Plaza-Radisson	200 Stuart Street	1972	354
Airport Holiday Inn (Ramada)	225 McClellan Hwy	1972	351
Airport Hyatt & Conference Center	101 Harborside Drive	1990	270
Airport Ramada (Hilton)	Logan Airport	1960	520
Boson Harbor/Rowes Wharf	70 Rowes Wharf	1987	230
Bostonian	North & Blackstone St	1982	153
Buckminster, The	645 Beacon Street	1903	102
Chandler Inn	26 Chandler Street	1981	56
Children's Inn	342 Longwood Ave	1968	152
Colonnade	120 Huntington Ave	1971	288
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South Bay Hotel	5 Howard Johnson Plaza	1960	100
Susse Chalet I	900 Morrissey Blvd	1986	177
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Tremont House(Bradford Elks-Quality Inn)	275 Tremont Street	1927	281
Westin Hotel-Copley Place	10 Huntington Ave	1983	804
Total For All Major Hotels	Hotels Over 50 Rooms	-	**12,220**
Hotels and other Lodging under 50 rooms	-	-	423
Grand Total			**12,643**

Existing Hotels in Downtown Boston

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PLANS FOR THE FUTURE

Boston is currently undergoing the latest and one of the largest hotel construction booms in its history. In a campaign aptly called ***2,000 by 2000***, the Boston Redevelopment Authority has set a goal for 2,000 more hotel rooms to be built by the turn of the century. Indeed, 11 hotels totaling 1,936 rooms are already either under construction now or have been approved for construction by the BRA. (See Table 12.)

Hotels under construction include the World Trade Center Hotel (427 rooms), 157 Devonshire Street (170 rooms reserved for "corporate members") and the recycling of the Board of Trade Building (94 corporate suites). (Although the corporate units will not operate as conventional hotels, they will provide essential capacity to important elements of the hotel demand market, freeing up space in conventional hotels for other guests.) The largest of these hotels will be built at Logan Airport, where a 579 room Hilton hotel will replace the existing 520 room Ramada Inn, resulting in a net increase of 59 rooms.

Hotels that have been approved include a 350 room "limited service" hotel in the Batterymarch Building at 89 Broad Street; 212 moderately priced rooms in the Doubletree Club adjacent to the Bayside Exposition Center; a 271 room project on an

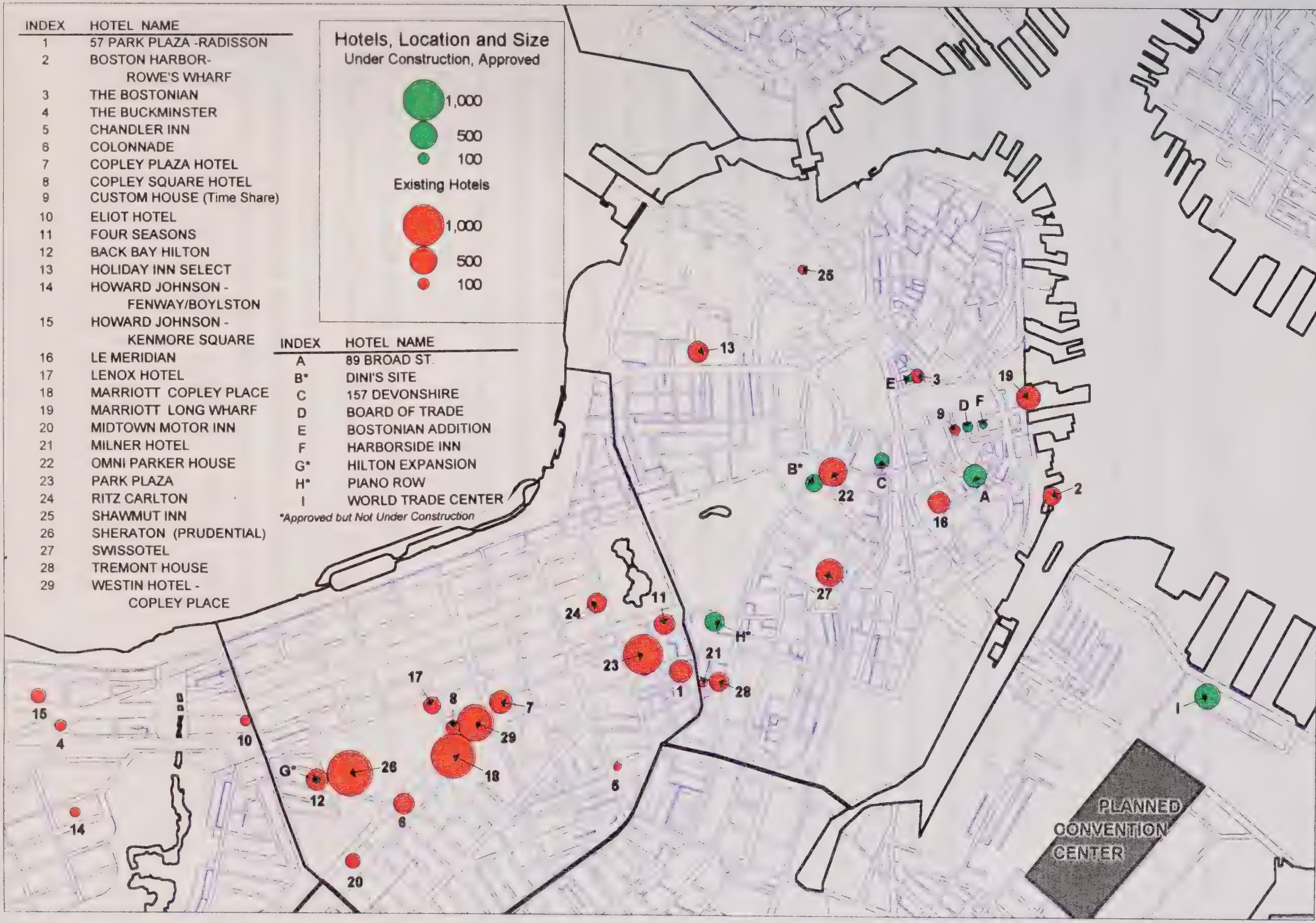
Table 12 *- Hotel Development Pipeline as of October 1997*

	Name		Address	District	Rooms	Type	Renov. or New Const.	Begin	Completion
UndConst	Board of Trade	Board of Trade Conversion	131 State St.	Central	94	corporate suites	Renov.	1995	1997
UndConst	World Trade Center		Waterfront	S. Boston	427	luxury	New Const.	1995	1998
UndConst	157 Devonshire	Compton Bldg. Conversion	157-175 Devonshire	Central	170	corporate members	Renov.	1996	1998
UndConst	Harborside Inn	Granite Mercantile Bldg.	185 State St.	Central	56	tourist	Renov.	1996	1997
UndConst	Hilton expansion	construction/demolition, net+	Airport	E. Boston	59	(579 rooms total)	New Const.	1997	2000
	SUBTOTAL				**806**				
App. BRA*	89 Broad St.	Batterymarch Conversion	89 Broad St.	Central	350	limited service	Renov.	1997	1998
App. BRA*	Doubletree Club	Near Bayside Expo. Center	Mt. Vernon St.	N. Dorch.	212	moderate price	New Const.	1997	1998
App. BRA*	Hilton Expansion Phase I		Pru	Back Bay	44	expansion	New Const.	1997	1998
App. BRA*	Bostonian addition	Haymarket Square	North & Blackstone Sts.	Central	49	expansion		1997	1998
App. BRA*	Piano Row		140 - 160 Boylston St.	Back Bay	271		New Const.		2000
App. BRA*	90 Tremont	Dini's Site		Central	204		New Const.		2000
	SUBTOTAL				**1,130**				
Proposed	15 Beacon St.	15 Beacon Conversion	15 Beacon St.	Central	55	limited service	Renov.		
Proposed	Park Hyatt	Park Square	Charles/Stuart	Back Bay	200		New Const.		
Proposed	City Hall Plaza			Central	350		New Const.		
Proposed	Bio Square		Albany St.	S. End	240		New Const.		
Proposed	Pritzger		Fan Pier	S. Boston	800		New Const.		
Proposed	Millenium Place		Washington Street	Central	300	mixed use project	New Const.		
Proposed	Fort Point Channel	former office bldg. site	303 Congress St.	S. Boston	200		New Const.		
	SUBTOTAL				**2,145**				
	TOTAL				**4,081**				

* App. BRA means final approval by the BRA

historic block of Boylston Street known as "Piano Row"; 204 rooms at 90 Tremont, site of the former Dini's Restaurant; and additions or expansions to three existing hotels.

In addition to the 11 hotels in the development pipeline, there are another seven hotels with 2,145 rooms that have been proposed or discussed. Some of these proposals have progressed to the point that they have started through the Boston Redevelopment Authority's development process and received interim designations and approvals. Others are still on the drawing board. They range from a small "European style" hotel being developed in a former city-owned building at 15 Beacon Street to an 800-room hotel in the Fort Point Channel Area on land owned by the Pritzger Corporation. One project that may have the most significant impact on the city is the proposal by the Millennium Corporation for lower Washington Street. Once completed, the 300 room hotel that is part of a mixed hotel/residential/retail development should help transform Midtown, an area of the city that has awaited revitalization for many years.



INDEX	HOTEL NAME
1	57 PARK PLAZA -RADISSON
2	BOSTON HARBOR- ROWE'S WHARF
3	THE BOSTONIAN
4	THE BUCKMINSTER
5	CHANDLER INN
6	COLONNADE
7	COPLEY PLAZA HOTEL
8	COPLEY SQUARE HOTEL
9	CUSTOM HOUSE (Time Share)
10	ELIOT HOTEL
11	FOUR SEASONS
12	BACK BAY HILTON
13	HOLIDAY INN SELECT
14	HOWARD JOHNSON - FENWAY/BOYLSTON
15	HOWARD JOHNSON - KENMORE SQUARE
16	LE MERIDIAN
17	LENOX HOTEL
18	MARRIOTT COPLEY PLACE
19	MARRIOTT LONG WHARF
20	MIDTOWN MOTOR INN
21	MILNER HOTEL
22	OMNI PARKER HOUSE
23	PARK PLAZA
24	RITZ CARLTON
25	SHAWMUT INN
26	SHERATON (PRUDENTIAL)
27	SWISSOTEL
28	TREMONT HOUSE
29	WESTIN HOTEL - COPLEY PLACE

INDEX	HOTEL NAME
A	89 BROAD ST.
B*	DINI'S SITE
C	157 DEVONSHIRE
D	BOARD OF TRADE
E	BOSTONIAN ADDITION
F	HARBORSIDE INN
G*	HILTON EXPANSION
H*	PIANO ROW
I	WORLD TRADE CENTER

*Approved but Not Under Construction

Existing, Under Construction, and Approved Hotels in Downtown Boston

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THE NEED FOR ADDITIONAL GROWTH

Despite the record number of hotel rooms in the city today, and despite the fact that more hotels are under construction or about to be built, Boston needs still more hotel rooms.

It is obvious that low hotel occupancy rates can signal problems in the hotel industry and the larger economy. In 1991, for example, at the low point of the last recession, Boston's average occupancy rate fell to 65.4%. Hotel business profits were impacted and hotel employment was cut back. U.S. Census Bureau figures indicate the loss of 1,140 jobs (or 11% Boston's hotel workforce) between 1990 and 1992. When occupancy rates rose in 1993, all of these jobs grew back and economic growth has continued since then in terms of visitors, occupancy rates, and employment.

What is not so obvious is that hotel occupancy rates can also be too high. While it would seem that an occupancy rate of anything less than 100% implies a *surplus* - not a *shortage* - of rooms, this is not really the case. Hotel occupancy rates are *averages.* For example, even though a single room may be occupied every night of the week, except for Mondays, throughout the year, the average annual occupancy rate for that room would be only be 86%, since it is empty one night in seven. In one sense, Boston's current record high annual average occupancy rate is a good sign for the industry and the city. In another sense, it is a warning, because it means that business is being turned away.

As discussed earlier, Boston's 1996 record annual occupancy rate of 78.4% (and the even higher seasonally adjusted annual rate of 80.2% for the first six months of 1997) was achieved in what is a seasonal industry. (See Figure 20.) That means that January's monthly average rate of below 60% is being more than offset by monthly rates that exceed 90% - and actually reach 100% on many nights during the busy season when every available hotel room in the city is filled from Tuesday through Sunday.

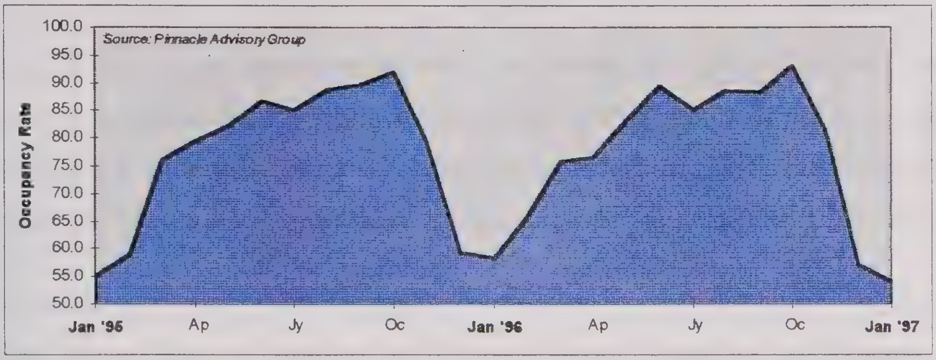

Figure 20 *- Seasonal Occupancy Rates in Boston*

It is at this point, when the supply of hotel rooms is being outpaced by demand, that the hotel industry reaches what is called "maximum practical occupancy." This maximum practical occupancy rate varies from city to city, depending on the seasonal nature of the particular market. Industry experts set the maximum practical occupancy rate for Boston hotels at approximately 77%.

As shown in Figure 21, while the *occupancy rate* in Boston has increased in each of the last six years, the *rate of increase* was highest between 1991 and 1993 when it rose from 67.6% to 75%. Since then, Boston's annual average hotel occupancy rate has leveled off considerably. The flattening of the occupancy rate in Boston, however, resulted not from a leveling off of *demand* for hotel rooms, but because the *supply* of rooms could not meet the continuing increase in demand.

At and above this maximum practical occupancy level, growth slows far below its potential as new business is lost. This loss of business affects not only the hotel industry itself, but the entire hospitality cluster (restaurants, entertainment, and others) which is a major source of employment and tax revenue in the Boston economy.

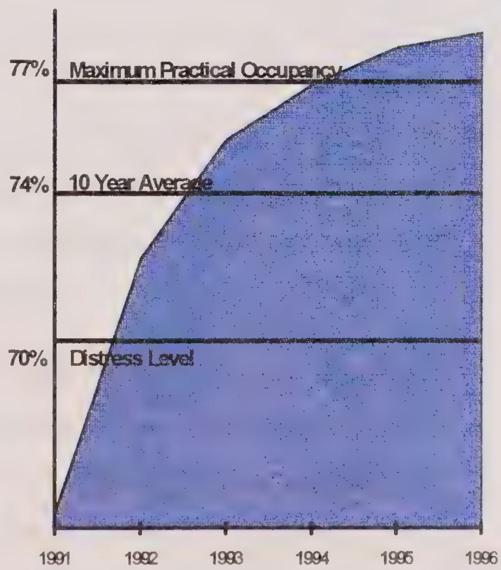

Figure 21 *- Boston Occupancy Rates: 1991-1996*

To reach a proper balance, there should be enough hotel rooms to accommodate existing business as well as new guests during busy periods, and sufficient demand to fill enough rooms during slack periods so that hotel operators receive adequate revenues. Such a balance best serves the city's hotel industry, its workforce, and its general economy by addressing both ends of that spectrum.

After analyzing all of the available information, this report sets a target occupancy rate for Boston hotels at 74% to attain such a balance. At this level, Boston's hotel industry can weather a minor economic downturn without falling below the distress level, and guests can find rooms available even if visitor growth continues during a period of lower development activity. It is at this level that the city can also expect to see the growth in visitors, jobs, and related industries that is the product of a healthy hotel industry. This level has already withstood the test of time. Boston hotel occupancy has averaged 74% over the last ten years, a period encompassing both economic expansion and a serious recession.

Boston needs more hotel rooms to meet four types of demand: existing demand, current lost business, normal growth, and the increased demand that will result from construction of a new Boston Convention and Exhibition Center. *This report bases the following projections on the number of additional hotel rooms needed in the city to achieve an average annual occupancy rate of 74%.*

Meeting Existing Demand

It is clear that Boston needs more hotel rooms right now, just to accommodate all of the customers who want to come here year-round. Failure to add those hotel rooms will maintain an occupancy rate so high that it limits the ability to handle any additional business during peak months of the year.

Between 1989 and 1996, growth in room sale nights in Boston area hotels (those within the Route 128 beltway) during the winter months - when there was significant excess capacity - grew by 4.0%, 2.8%, 3.7% and 2.7% annually for the months of December, January, February, and March, respectively. Over that same period, growth in room sales nights during Boston's eight-month busy season - when there was no excess capacity of rooms to support much growth - averaged just 2.2%

annually. The slower growth during the busiest months reflects business turned away from Boston area hotels due to a shortage of hotel rooms.

At the 74% occupancy rate, Boston hotels could experience growth in room occupancy throughout the year. To achieve that rate, based only on the existing guests who are being served right now, Boston needs an additional 986 hotel rooms today

Current Lost Business

When the city's existing supply of hotel rooms is inadequate, growth levels off because business is lost to other markets. Potential guests who have been turned away by Boston hotels for lack of available rooms are left with three choices: postponing their visit, canceling their Boston visit altogether, or finding hotel rooms in the surrounding area. While it is impossible to know how many people delay their visits or don't come at all because of lack of hotel space, one downtown Boston hotel alone reported 20,000 "turn aways" last year.

Statistical evidence suggests many people are pursuing the third alternative - continuing to make Boston their destination of choice, but staying over night in the suburbs. Even though, historically, Boston hotels consistently register higher room occupancy *rates* than suburban hotels (anywhere from four to 17 percentage points higher for the first half of 1997), suburban hotels have been enjoying a higher room occupancy *growth* than those in Boston in recent years. Between 1991 and the first half of 1997, Boston hotel room sale nights, grew by 21.2%. During the same period, suburban hotel room sale nights increased by 31.1%. While some of the suburban increase could be attributed to lower room rates, much of it is the result of room availability. Granted, the region and the state still benefit from the spending, jobs, and tax revenue that this business generates. Unfortunately, however, Boston hotels and the city itself are losing out on the full economic benefits these guests generate.

Adding an additional 1,058 hotel rooms would give Boston hotels the capacity needed to serve those guests currently being turned away.

When the 986 new hotel rooms needed to achieve the 74% occupancy rate are added to the 1,058 rooms needed to recapture that lost business, Boston needs 2,044 additional rooms today to meet the existing level of demand.

Normal Growth in Demand

If the supply of hotel rooms in Boston is insufficient to meet existing demand, it falls far short of meeting expected continued growth. The Greater Boston Convention and Visitors Bureau projects a 3% increase in the number of visitors to the Boston area this year alone. With the regional and city economy booming, new or expanded facilities coming on line at the New England Aquarium and other museums, and expansion at Logan Airport, that growth is expected to continue.

Over the next 15 years, the Pinnacle Advisory Group projects a 2.5% annual increase in individual commercial demand for hotel rooms; a 1.5% increase in demand from leisure travelers; and a 1% increase in airline contract demand. It projects a 2.0% increase in convention and meeting demand over the next 5 years, slowing to a 1.5% annual increase between 2000 and 2012 if new convention space is not added. The combined demand from all of these visitors averages out to a 2% annual growth rate in hotel room demand.

To meet that projected growth in demand, Boston will need an additional 1,485 hotel rooms in the next five years and 1,639 more new hotel rooms in the five years after that. Over the next 10 years, then, Boston will need a total of 3,124 new hotel rooms to meet the growth in demand.

Demand Generated by the Proposed Boston Convention and Exhibition Center

The previous estimates on the need for more hotel rooms in Boston do not take into account what could be the single biggest cause for increased demand - construction of the proposed Boston Convention and Exposition Center. The Final Report, compiled for the City of Boston and the Commonwealth of Massachusetts, projects that demand and is summarized below.

As has already been shown, one of the major reasons for the strength of Boston's hotel industry is that the city is considered a "first tier" convention city, and the convention business itself is expected to increase. Yet despite its popularity as a convention city, Boston currently ranks only 43rd in the amount of prime exhibit space among major U.S. convention and trade show destinations, with only 183,000 square feet spread over two floors of the Hynes Convention Center. Even much smaller cities, like Columbus, Charlotte, Milwaukee, and Tampa offer more single-level exhibition space than Boston.

To remedy that situation, a drive is currently underway in both the public and private sector to build a new Boston Convention and Exhibition Center with 600,000 square feet of contiguous exhibit space. At this writing, a proposal to build the new facility has been approved by both the Massachusetts State Senate and House of Representatives. The new facility would be large enough to accommodate all but the largest events and would operate in such a way as to complement and not compete with the city's existing smaller convention and meeting facilities: the Hynes Convention Center, The World Trade Center, and the Bayside Expo, which serve smaller conventions, trade shows, association events, corporate and local functions.

Within the next five years, according to a survey by the Center for Exhibition Industry Research, the demand for exhibition space will grow by 23%, while the supply of exhibition space is expected to grow by only 12%. In fact, another recent industry survey shows that over 90% of all meetings will be expanding their exhibit space requirements. If the city can meet those space requirements, Boston stands to gain an additional share of that expanding market.

When fully operational, the new convention center is expected to generate the need for 3,800 more hotel rooms in Boston - 1,200 to open in 2002 to coincide with the hoped for opening of the proposed new convention center and 2,600 more to open by 2009 when it is expected that the facility will be operating at full capacity.

CONCLUSIONS

Despite the record number of hotel rooms in the city today, and despite the fact that more hotels are under construction or about to be built, Boston still needs more hotel rooms. When a hotel market reaches or exceeds its maximum practical occupancy rate, as Boston has done, growth slows far below its potential as new business is lost. This loss of business does not only affect the hotel industry itself, but the other sectors of the hospitality industry, which is a major source of employment for Boston residents.

To reach a proper balance between demand and supply, Boston needs:

- an additional 2,044 hotel rooms today to meet existing demand and recapture the business currently being turned away to suburban hotels.
- an additional 3,124 hotel rooms over the next 10 years to meet the projected growth in demand.
- an additional 3,800 more hotel rooms once the proposed new convention center is open and operating at full capacity.

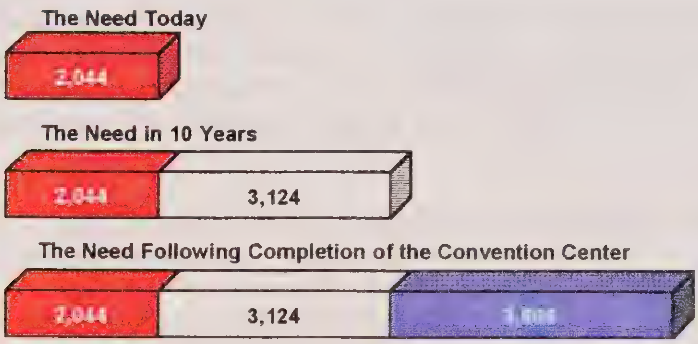

***Figure 22** - Hotel Room Needs for The City of Boston*

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APPENDIX

Occupancy Rates and Room Rates in Selected Cities: 1996 - 1991

City-1996	Occupancy Rate	Average Daily Room Rate
Atlanta	71.0	$95.25
Boston	**78.4**	**$145.91**
Chicago	73.5	$101.33
Dallas	66.5	$90.50
Houston	63.8	$72.38
Los Angeles	71.6	$89.26
New York	81.8	$174.60
Philadelphia	75.0	$115.75
San Francisco	78.7	$113.15
Washington D.C.	68.7	$125.00
National Average	73.1	$99.05

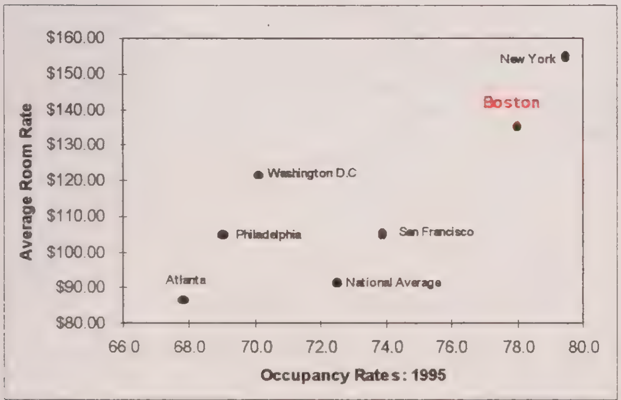
City-1995	Occupancy Rate	Average Daily Room Rate
Atlanta	67.8	$86.17
Boston	**78.0**	**$135.00**
Chicago	72.1	$97.14
Dallas	71.6	$77.07
Houston	64.8	$69.93
Los Angeles	67.5	$84.00
New York	79.5	$155.00
Philadelphia	69.0	$104.75
San Francisco	73.9	$105.27
Washington D.C.	70.1	$121.45
National Average	72.5	$91.31

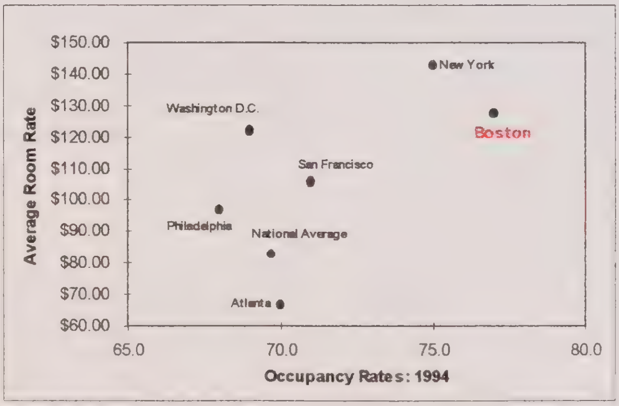
City-1994	Occupancy Rate	Average Daily Room Rate
Atlanta	70.0	$66.50
Boston	**77.0**	**$127.50**
Chicago	69.5	$90.30
Dallas	67.9	$71.45
Houston	64.0	$64.83
Los Angeles	66.2	$82.00
New York	75.0	$143.00
Philadelphia	68.0	$97.00
San Francisco	71.0	$106.00
Washington D.C.	69.0	$122.42
National Average	69.7	$82.30

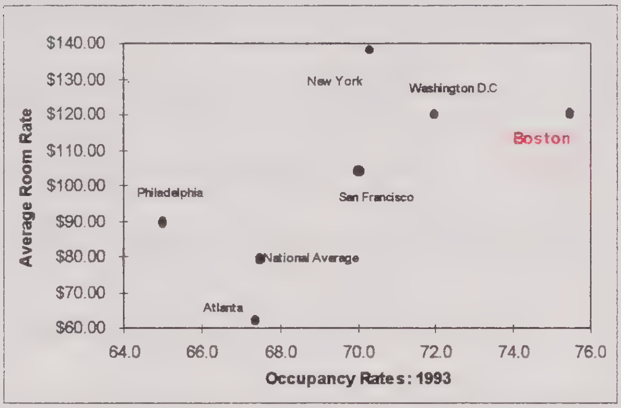
City-1993	Occupancy Rate	Average Daily Room Rate
Atlanta	67.4	$61.97
Boston	**75.5**	**$120.36**
Chicago	66.8	$87.90
Dallas	64.3	$67.53
Houston	62.1	$63.31
Los Angeles	61.9	$78.11
New York	70.3	$137.81
Philadelphia	65.0	$90.00
San Francisco	70.0	$104.25
Washington D.C.	72.0	$120.01
National Average	67.5	$79.44

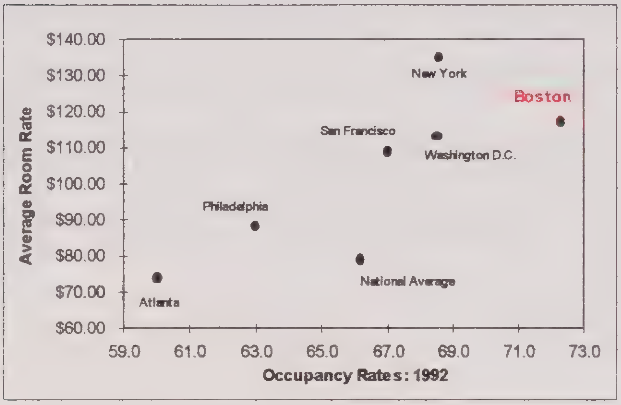
City-1992	Occupancy Rate	Average Daily Room Rate
Atlanta	60.0	$74.00
Boston	**72.3**	**$117.57**
Chicago	65.0	$82.00
Dallas	66.0	$61.00
Houston	62.8	$65.75
Los Angeles	63.0	$75.00
New York	68.6	$135.04
Philadelphia	63.0	$88.50
San Francisco	67.0	$109.00
Washington D.C.	68.5	$113.00
National Average	66.2	$79.19

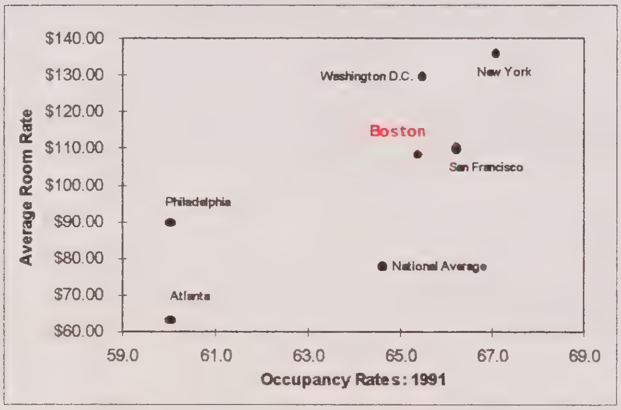
City-1991	Occupancy Rate	Average Daily Room Rate
Atlanta	60.0	$63.00
Boston	**65.4**	**$108.29**
Chicago	64.0	$81.95
Dallas	62.0	$59.50
Houston	62.5	$64.27
Los Angeles	63.6	$75.70
New York	67.1	$135.66
Philadelphia	60.0	$89.50
San Francisco	66.2	$109.99
Washington D.C.	65.5	$129.53
National Average	64.6	$77.90






$140.00
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
Average Room Rate
New York
Washington D.C
Boston
San Francisco
Philadelphia
National Average
Atlanta
64.0
66.0
68.0
70.0
72.0
74.0
76.0
Occupancy Rates: 1993


$140.00
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
Average Room Rate
New York
Boston
San Francisco
Washington D.C.
Philadelphia
National Average
Atlanta
59.0
61.0
63.0
65.0
67.0
69.0
71.0
73.0
Occupancy Rates: 1992


$140.00
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
Average Room Rate
Washington D.C.
New York
Boston
San Francisco
Philadelphia
National Average
Atlanta
59.0
61.0
63.0
65.0
67.0
69.0
Occupancy Rates: 1991

Boston's Hotels

Opened	Hotel Name	Address	District	Rooms Then	Current Stock	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59	1960-69	1970-79	1980-89	1990-97
1835	American House	Hanover Street	Downtown	200	0	200	200	200	200						
1854	Omni-Parker House	60 School Street	Downtown	600	535			600	600	600	600	600	547	547	535
1865	Crawford House	19 Scollay Square	Downtown	100	0	100	100	100	100	100					
1871	Vendome Hotel	60 Commonwealth Ave	Back Bay	270	0	270	270	270	270	240	225	225			
1876	Brunswick Hotel	520 Boylston Street	Back Bay	250	0	250	250	250	250	250	250				
1886	Victoria Hotel	271 Dartmouth Street	Back Bay	100	0	100	100	100	100	150					
1891	Charlesgate Hotel	535 Beacon Street	Fenway/Kenmore	300	0	300	300	300	300	175					
1894	Arlington Hotel	Causeway & Canal Streets	Downtown	250	0	250	250	250	250						
1895	Copley Square	47 Huntington Avenue	Back Bay	300	143	300	300	300	360	153	153	200	160	150	150
1895	Lafayette/Empire Hotel	333 Commonwealth Ave	Back Bay	125	0	125	125	125	125	125	125				
1897	Somerset Hotel	400 Commowealth Ave	Fenway/Kenmore	300	0	300	300	300	300	300	275	300	300		
1897	Touraine	62 Boylston Street	Back Bay	280	0	280	280	180	180	300	300	300			
1899	Beacon Chambers Hotel	Myrtle Street	Back Bay	350	0	350	350	350	350	370	300	300			
1899	Bellevue	21 Beacon Street	Back Bay	350	0	350	350	350	350	370	300	300			
1899	Westminster	Copley Square	Back Bay	250	0	250	250	250	250	250					
1900	Abbotsford Hotel	186 Commonwealth Ave	Back Bay	100	0	100	100	100	100	100	100				
1900	Colonial/Gardner	199 Massachusetts	Fenway/Kenmore	75	0	75	75	75	75		65				
1900	Essex	695 Atlantic	Downtown	400	0	400	400	400	350	400	400	400	300		
1900	Lenox	710 Boylston Street	Back Bay	220	220	220	220	220	250	250	250	250	220	220	220
1901	Garrison Hall Hotel	8-16 Garrison Street	Back Bay	200	0	200	200	200	200	200	200				
1902	Hemenway Chambers	91 Westland Ave.	Fenway/Kenmore	220	0		220	220							
1903	Buckminster Hotel	645 Beacon	Fenway/Kenmore	130	0	130	130	130	130	130	130	130	130	100	100
1904	Canterbury	14 Charlesgate	Fenway/Kenmore	135	0	135	135	135	135	138	138	138			
1905	Lucerne Hotel	66 Causeway Street	Downtown	78	0	78	78	78	78	78	78				
1905	Technology Chambers Hotel	8 Irvington Street	Back Bay	265	0	265	265	265	265	265	250				
1908	Myles Standish Hotel	30 Bay State Road	Fenway/Kenmore	530	0	530	530	530	530						
1908	Puritan	390 Commonwealth	Fenway/Kenmore	200	0	200	200	200	200	200	175				
1910	Argonne	Bulfinch Place	Downtown	220	0		220	220	220	220					
1910	Fritz-Carlton	1138 Boylston	Fenway/Kenmore	150	0		150	150	150	150					
1911	Pieroni/Georgian Hotel	7 Park Square	Back Bay	40	0		40	40	40	40	40	40			
1911	Princeton Hotel	1277 Commonwealth Ave	Other	94	0		94	94	94	94					
1912	Copley Plaza	138 St. James Avenue	Back Bay	450	372		450	450	500	500	450	500	450	450	372
1913	Graylyn/Guild House	20 Charlesgate	Fenway/Kenmore	150	0		150	150	150	150					
1913	Huntington	307 Huntington	Fenway/Kenmore	60	0		60	60	60	60	60	56			
1915	Kenmore	490 Commonwealth	Fenway/Kenmore	400	0		400	400	400	400	400	400			
1916	Braemore	464 Commonwealth	Fenway/Kenmore	225	0		225	225	225	225	225	225			
1921	Avery	24 Avery	Downtown	140	0			140	135	135	200	200			
1923	Fensgate	534 Beacon	Fenway/Kenmore	150	0			150	150	150	150	150			
1923	Lincolnshire	20 Charles St.	Back Bay	150	0			150	150	150	150				
1923	Sheraton	91 Bay State Rd	Fenway/Kenmore	220	0			220	220	220	250	250			
1925	Broadway/Metropolitan	315 Tremont	Downtown	120	0			120	150	120	120				
1925	Eliot	370 Commonwealth Ave	Fenway/Kenmore	100	91			100	100	100	100	100	100	100	91
1927	Tremont House (Bradford/Elks)	275 Tremont Street	Downtown	350	281			350	350	333	328	325	322		281

Boston's Hotels

Opened	Hotel Name	Address	District	Rooms Then	Current Stock	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59	1960-69	1970-79	1980-89	1990-97
1927	Madison	Causeway Street	Downtown	500	0			500							
1927	Ritz-Carlton	15 Arlington Street	Back Bay	300	278			300	300	300	275	275	250	278	278
1927	Statler-Hilton/Park Plaza	64 Arlington Street	Back Bay	1300	856			1300	1300	1300	1300	1300	800	800	856
1928	University Club	40 Trinity Place	Back Bay	81	0			81	81	81	81	81			
1929	Diplomat	26 Chandler	Back Bay	50	0			50							
1955	Terrace Motor Lodge-Best Western	1650 Commonwealth Avenue	Other	72	72						72	72	72	72	72
1956	Howard Johnson's Fenway/Boylston	1271 Boylston Street	Fenway/Kenmore	94	94						94	94	94	94	94
1960	Airport Hilton	Logan Airport	Other	330	542							330	600	600	516
1960	South Bay Hotel	5 Howard Johnson Plaza	Other	100	100										100
1961	Midtown Motor Inn	220 Huntington Ave	Back Bay	161	159							161	161	161	159
1963	Howard Johnson's Kenmore Square	575 Commonwealth	Fenway/Kenmore	178	178							178	178	178	178
1965	Sheraton-Boston	39 Dalton Street	Back Bay	1000	1187							1000	1428	1428	1187
1966	Days Inn - Brighton	1234 Soldiers Field Rd	Other	118	113							118	118	118	113
1968	Children's Inn	342 Longwood Ave	Other	82	152							82	82	152	152
1968	Holiday Inn Select	5 Blossom St	Downtown	300	300							300	300	300	300
1971	Colonnade	120 Huntington Ave	Back Bay	306	288								306	306	288
1972	57 Park Plaza	200 Stuart Street	Back Bay	400	354								400	400	354
1972	Airport Holiday Inn	225 McClellan Hwy	Other	209	351								209	209	239
1975	Hilton Addition-Airport	Logan Airport	Other	270	0-absorbed										
1975	Sheraton-Boston Addition	39 Dalton Street	Back Bay	428	0-absorbed										
1981	Chandler Inn	26 Chandler Street	Other	56	56									56	56
1981	Meridien	250 Franklin Street	Downtown	330	326									330	326
1981	Ritz-Carlton Addition	15 Arlington Street	Back Bay	80	0-absorbed										
1982	Bostonian	North & Blackstone St	Downtown	155	153									155	153
1982	Hilton Back Bay	Dalton & Belvidere	Back Bay	372	335									372	333
1982	Marriott Long Wharf	196 State Street	Downtown	395	400									395	400
1983	Westin Hotel-Copley Place	10 Huntington Ave	Back Bay	804	804									804	804
1984	Marriott-Copley Place	110 Huntington Ave	Back Bay	1145	1147									1145	1147
1985	DoubleTree Guest Suites	400 Soldiers Field Rd	Other	310	310									310	310
1985	Four Seasons Hotel	200 Boylston Street	Back Bay	289	288									289	288
1985	Swissotel	1 Avenue de Lafayette	Downtown	511	500									511	500
1986	Susse Chalet I	900 Morrissey Blvd	Other	177	177									177	177
1986	Susse Chalet II	800 Morrissey Blvd	Other	107	106									107	106
1987	Boson Harbor/Rowes Wharf	70 Rowes Wharf	Downtown	160	230									160	230
1987	Children's Inn Addition	342 Longwood Ave	Other	70	0-absorbed										
1989	Milner Hotel	76 Charles Street	Back Bay	64	64									64	64
1990	Airport Hyatt & Conference Center	101 Harborside Drive	Other	270	270										270
1990	Daystop	1800 Soldier's Field Road	Other	54	54										54
1995	Shawmut Inn	280 Friend Street	Downtown	66	66										66
1997	Custom House (Time Share)	Custom House St	Downtown	76	0										76

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